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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

DAVID CARROLL WILLNER,

Defendant.

SA CR 18-00184

I N F O R M A T I O N

[18 U.S.C. § 1343: Wire Fraud  
Affecting a Financial Institution;  
18 U.S.C. § 2(a): Aiding and  
Abetting]

The United States Attorney charges:

[18 U.S.C. §§ 1343, 2(a)]

A. INTRODUCTORY ALLEGATIONS

1. At all times relevant to this Information:

a. Defendant DAVID CAROL WILLNER ("WILLNER") was a resident of Orange County, within the Central District of California, and worked in Orange and Riverside Counties, within the Central District of California.

b. Defendant WILLNER, along with co-schemer Jason Glasser ("Glasser"), owned and operated multiple residential mortgage modification companies located or doing business in Orange and Riverside Counties, within the Central District of California, and elsewhere, including Financial Remedies, Inc.; National Mod Prep,

1 LLC, also known as ("aka") "National Modification Preparation" and  
2 "NMP"; Financial Endeavors LLC, doing business as ("dba") Citizens  
3 Financial Group; and LNEA, Inc., dba Integris Support Services  
4 (collectively, the "Mortgage Companies"). These companies, though  
5 different in name, operated for the same purpose and employed the  
6 same employees, including clerical staff, sales representatives, and  
7 loan processors. In general, defendant WILLNER handled the finances  
8 and administered the day-to-day business; co-schemer Glasser  
9 supervised the sales and marketing department and the processing  
10 department.

11 c. Defendant WILLNER was a signatory on the bank accounts  
12 for each of the Mortgage Companies, including a Citizens Financial  
13 Group's Bank of America bank account ending in x2014.

14 B. THE SCHEME TO DEFRAUD

15 2. Beginning on a date unknown but no later than in or around  
16 2009 and continuing through at least in or around August 2012, in  
17 Orange County and Riverside County, within the Central District of  
18 California, and elsewhere, defendant WILLNER, co-schemer Glasser, and  
19 others known and unknown to the United States Attorney, aiding and  
20 abetting each other, knowingly and with intent to defraud, devised,  
21 participated in, and executed, and attempted to execute, a scheme to  
22 defraud various financially distressed homeowners as to material  
23 matters and to obtain money from financially distressed homeowners by  
24 means of material false and fraudulent pretenses, representations,  
25 promises, and the concealment of material facts, through the use of  
26 interstate wires in connection with residential mortgage loan  
27 modification advanced-fee companies, which affected the financial  
28

1 institutions with whom the homeowners had mortgages by exposing them  
2 to an increased risk of loss.

3 3. The scheme to defraud operated, in substance, as follows:

4 a. Using the Mortgage Companies they controlled,  
5 defendant WILLNER and co-schemer Glasser would set up and implement a  
6 marketing plan to induce financially distressed homeowners to pay to  
7 the Mortgage Companies fees of between approximately \$2,200 and  
8 \$6,000, in advance of receiving the promised loan modification  
9 services ("advanced fees").

10 b. Defendant WILLNER and co-schemer Glasser would  
11 recruit, hire, train, and supervise sales representatives who, acting  
12 at the direction of defendant WILLNER and co-schemer Glasser, would  
13 contact financially distressed homeowners and promise to act on their  
14 behalf with the customer's lender to obtain a mortgage modification.

15 c. To induce those homeowners to pay the Mortgage  
16 Companies' advanced fees, defendant WILLNER, along with co-schemer  
17 Glasser and other Mortgage Companies' employees, would make false  
18 statements and cause such false statements to be made to the  
19 homeowners, and would omit and cause to be omitted and concealed from  
20 the homeowners material information, knowing the statements and  
21 omissions to be false and misleading, including the following false  
22 and misleading statements and omissions:

23 i. That the Mortgage Companies had been in business  
24 significantly longer than they actually had;

25 ii. That the Mortgage Companies had successfully  
26 assisted a significantly higher number of homeowners than they  
27 actually had;

28 iii. That the Mortgage Companies had obtained mortgage

1 modifications for 90-95% of their customers, when, in fact, the  
2 Mortgage Companies had obtained mortgage modifications for a  
3 significantly lower percentage of their customers; and

4           iv. That the Mortgage Companies offered a "100%  
5 money-back guarantee" or full refund if the customer did not receive  
6 a loan modification, when, in fact, as defendant WILLNER and co-  
7 schemer Glasser then well knew, the Mortgage Companies rarely  
8 refunded customer fees for customers who did not receive loan  
9 modifications.

10           d. In furtherance of this scheme and acting at the  
11 direction of defendant WILLNER and co-schemer Glasser, the Mortgage  
12 Companies' sales representatives would falsely claim during  
13 conversations with homeowners that they could guarantee the  
14 homeowners a new interest rate of 2%, which would significantly  
15 reduce the homeowner's monthly mortgage payment; a 30% to 50%  
16 reduction in the mortgage cost; forgiveness of past-due mortgage  
17 payments; and a reduction of the principal of the mortgage. However,  
18 as defendant WILLNER and co-schemer Glasser then well knew, they  
19 could not guarantee such results nor know what loan modifications, if  
20 any, were possible for any specific homeowner without first speaking  
21 to the homeowner's mortgage lender.

22           e. The scheme would affect federally insured financial  
23 institutions because the Mortgage Companies' sales representatives,  
24 acting at the direction of co-schemer Glasser and others, would  
25 advise the homeowners to pay the Mortgage Companies' fees in lieu of  
26 their mortgage payments and stop paying their mortgage payments to  
27 show hardship to their lender financial institutions. On multiple  
28 occasions throughout the course of the scheme, defendant WILLNER

1 became aware that the Mortgage Companies' sales representatives had  
2 been and were providing such advice and admonished them not to do so.  
3 As defendant WILLNER well knew, such advice exposed the lender  
4 financial institutions to an increased risk of loss.

5 f. After the financially distressed homeowners paid the  
6 Mortgage Companies' advanced fees, Mortgage Companies' employees,  
7 acting at the direction of defendant WILLNER and co-schemer Glasser,  
8 would instruct homeowners to submit information to the processing  
9 department, nominally for the purpose of negotiating a loan  
10 modification on behalf of the homeowner, even though, as defendant  
11 WILLNER then well knew, the Mortgage Companies employed too few  
12 processors to keep pace with the number of homeowners they were  
13 soliciting and complete the homeowners' promised loan modifications  
14 in a timely fashion, and, in some cases, at all.

15 g. When homeowners called to complain that nothing was  
16 being done on their loan modifications, co-schemer Glasser sometimes  
17 would falsely claim that the homeowners had provided incorrect or  
18 incomplete information to the Mortgage Companies.

19 h. After the Mortgage Companies received a high number of  
20 negative customer reviews online, including complaints on the Better  
21 Business Bureau website, in order to further the scheme, defendant  
22 WILLNER and co-schemer Glasser, along with others, would establish a  
23 website purporting to be a business-rating company called "Nationwide  
24 Business Bureau," also known as "NBB" and "NBB Online" (hereafter,  
25 "NBB Online"), which was available at [www.nbbonline.org](http://www.nbbonline.org) and on which  
26 WILLNER and co-schemer Glasser would post and cause to be posted  
27 false company information and fake customer reviews and "success  
28 stories," in order to make the Mortgage Companies appear more

1 legitimate and to inflate artificially their ratings. Defendant  
2 WILLNER and co-schemer Glasser also would remove and cause to be  
3 removed from NBB Online negative reviews of the Mortgage Companies.  
4 At the direction of defendant WILLNER and co-schemer Glasser, the  
5 Mortgage Companies' employees would direct potential customers to NBB  
6 Online, where this false and misleading information was posted.

7 i. When the Mortgage Companies were unable to generate  
8 new customers due to negative online reviews, defendant WILLNER and  
9 co-schemer Glasser would take down the current company's website and  
10 turn off its email and telephones. Defendant WILLNER and co-schemer  
11 Glasser would then begin operating the mortgage modification scheme  
12 under a new company name and establish a new corporate website,  
13 telephone numbers, and email addresses.

14 j. As defendant WILLNER and co-schemer Glasser well knew,  
15 changing the telephone numbers and email addresses from one company  
16 to another would prevent current customers from being able to contact  
17 the company regarding the status of their loan modifications and  
18 refund requests and being able to request new refunds.

19 4. As a result of the scheme conducted by defendant WILLNER  
20 and his co-schemers, homeowners paid approximately \$3,102,136 to the  
21 Mortgage Companies for loan modification services. However, many of  
22 those homeowners did not receive any loan modification at all through  
23 the Mortgage Companies and, if their loans were modified, they were  
24 not modified on as favorable terms as defendant WILLNER, co-schemer  
25 Glasser, and other Mortgage Companies' employees had guaranteed and  
26 such modifications were not the result of the Mortgage Companies'  
27 efforts.  
28

1 C. USE OF THE WIRES

2 5. On or about December 14, 2011, within the Central District  
3 of California, and elsewhere, defendant WILLNER and co-schemer  
4 Glasser, together with others known and unknown to the United States  
5 Attorney, aiding and abetting each other, for the purpose of  
6 executing and attempting to execute the above-described scheme to  
7 defraud affecting a financial institution, caused the transmission,  
8 by means of wire communication in interstate and foreign commerce, of  
9 a deposit of \$1,250 from victim N.L.'s ABNB Federal Credit Union bank  
10 account ending in x2998 and located in Virginia Beach, Virginia, into  
11 Citizens Financial Group's Bank of America bank account ending in  
12 x2014 and located in the Central District of California.

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